

**THIRD PARTY EDUCATION TRUST FOR THE BENEFIT OF**

██████████ ██████████

THIS TRUST is established by KIPP PHILADELPHIA CHARTER SCHOOL as the Grantor (hereinafter referred to as the “Grantor”), operating at 5070 Parkside Avenue, Philadelphia, PA 19131, and ADVOCACY ALLIANCE as the Trustee (hereinafter referred to as the “Trustee”) for the sole benefit of ██████████ ██████████ (hereinafter referred to as the “Beneficiary”). The Trust is being established for the purpose of providing educational services and educational support consistent with the Educational Services Agreement (hereinafter referred to as the “Educational Services Agreement” and attached hereto as Exhibit A) entered into by the Grantor and Beneficiary’s parent and legal guardian, ██████████ ██████████ who currently resides with the Beneficiary at 2029 Champlost Avenue, Philadelphia, PA 19138 (hereinafter referred to as the “Parent” or as “Family”). This Trust shall be known as the “THIRD PARTY EDUCATION TRUST FOR THE BENEFIT OF ██████████ ██████████ (hereinafter referred to as the “Trust”).

This Trust is established to provide only for direct payment or reimbursement of documented “legitimate educational expenses” for the Beneficiary’s educational needs as defined in Article III of this Trust.

**ARTICLE I**  
**TRUST ESTATE**

1.01. Transfer to Trust: The Grantor shall fund the Trust with a deposit of NINE THOUSAND dollars (\$9,000) within sixty (60) days of the date on which the Board approves this Agreement. The Trust Estate shall be held, managed, administered, and distributed by the Trustee for the sole benefit of the Beneficiary for the purposes set forth in Article III of this

Trust. All trustee, administrative, and maintenance fees of the Trustee shall be paid by the Grantor.

1.02 Additions to Trust Estate: The Grantor shall have the right at any time to add property acceptable to the Trustee to this Trust and such property, when received and accepted by the Trustee, shall become part of the Trust Estate. The Trustee must receive prior written approval from the Grantor before accepting real or personal property additions to the Trust Estate if the additional property is received from a source other than the Grantor.

1.03 Trustee Obligation: The Trustee agrees to fulfill the terms and conditions set forth herein and in the attached Educational Services Agreement related to the proper establishment, administration, reporting and termination of the Trust. The Trustee acknowledges its fiduciary obligation to the Beneficiary and the Grantor; while the said Grantor is named the sole contingent beneficiary of the Trust upon its termination as further explained in Article IV of this Trust.

## **ARTICLE II** **IRREVOCABILITY OF TRUST**

2.01 Irrevocability: This Trust shall, irrespective of any legal presumption to the contrary, be irrevocable and shall not be altered, amended, revoked or terminated by any person except by the Trustee as (1) is permitted by law while retaining the irrevocable nature of this Trust, and (2) necessary to respond to (a) the requirements of an administrative agency with the authority to dispense public benefits or regulate this Trust or Trustee, or (b) changes in statutory, regulatory or case law, in order to fulfill the Grantor's intent to provide educational services and educational supports and to obtain maximum public benefits for the Beneficiary while providing

maximum legal protection of the assets of the Trust from invasion or assessment for the benefit of the contingent beneficiary, who is the Grantor.

2.02 Continuing Jurisdiction: This Trust is subject to the continuing jurisdiction of the relevant Orphans' Court of Common Pleas (the "Court"), including the Court's right to modify or terminate, for cause shown, although this Trust is otherwise irrevocable.

### **ARTICLE III** **DISTRIBUTION AND ACCOUNTING**

3.01 Trust Purpose: Until the termination of the Trust, the Trustee may, in its sole, absolute, unfettered and unrestricted discretion, and after considering federal, state, or local entitlements, programs or other benefits, pay or apply the principal and income of this Trust for direct payment or reimbursement of documented "legitimate educational expenses" for the Beneficiary's educational needs; provided, however, that such applications of principal and income shall be to the extent not suitably provided for by insurance or by federal, state, or local entitlements, programs, or other benefits of any nature whatsoever and further provided that such application of principal and income shall be made in such a manner as to meet the educational needs of the Beneficiary while seeking to maximize the Beneficiary's eligibility for such federal, state, and local entitlements, programs, or other benefits of any nature whatsoever. It is the intent of the Grantor to maintain the highest degree of federal, state, or local entitlements, programs and other benefits for the Beneficiary at public expense while seeking to fulfill the educational needs of the Beneficiary, and to protect the principal and income of this Trust from invasion or assessment from any federal, state, or local governmental or other agency or insurance company or provider of publicly-funded services for reimbursement for, or the provision of, monies, services, or assistance of any kind which has been, or will be, expended

upon or provided to the Beneficiary. The provisions of this Article are to be read in conjunction with the rights set forth in Article IV of this Trust. If ordered by the Court, the Trustee shall provide the Commonwealth of Pennsylvania with an informal accounting of the receipt and distribution of income and principal on an annual basis.

3.02 Legitimate Educational Expenses: The Beneficiary's educational needs shall mean those needs that are a direct result of the Beneficiary's disability or disabilities or are a manifestation, whether typical or not, of any disability that adversely impacts the Beneficiary's ability to benefit from his educational experience and those requisite items, products or services that can be provided to the Beneficiary to support the development of the Beneficiary's full educational potential and shall include only "legitimate educational expenses." For purposes of this Trust, "legitimate educational expenses" related to the Beneficiary's educational program for which reimbursements may be provided to the Family shall mean (a) expenses incurred, and for which the FAMILY has not received reimbursement through insurance or other third party sources, for educational or special education instruction or remedial tutoring provided by certified teachers or in a licensed school, facilities or programs; (b) "related services," as defined in the regulations implementing the Individuals with Disabilities Education Act, provided by appropriately certified or licensed professionals, including but not limited to psychological and psychiatric counseling and therapy; (c) vocational training or education provided by a licensed school or program; (d) planned courses of instruction offered through internet-based educational service providers with special education or other educational accreditation or licensing in the state or county in which the providers are physically located; (e) assistive technology (including the purchase of two computers, tablets or similar devices and accessories in a total amount not to exceed \$4,500), educational software, books and texts, materials, and equipment directly related

to the education that the Beneficiary is then receiving or the programs and services described in this Paragraph; (f) evaluations and assessments conducted by appropriately certified or licensed professionals; (g) after-school programming or programming during times when school is not in session, including, but not limited to, camp programs that support the Beneficiary's IEP goals; and (h) attorney's fees and costs reasonably incurred by the FAMILY to enforce the provisions of this Agreement.

The following will not be reimbursable: leisure travel; recreational activities such as, but not limited to, attendance at amusement parks, participation in sports activities, movies and vacations; recreational equipment primarily for the use of participation in sports or recreational activities including gaming all devices and accessories; activities intended for personal enrichment not directly related to a specific educational need; any expenses related to post-secondary education; and services, programs and/or equipment required solely for medical needs.

3.03 Discretionary Distributions: The Trustee shall have the discretion and ability to make disbursements from the Trust, which are not otherwise described in the Educational Services Agreement or Trust so long as the disbursements are, in the opinion of the Trustee, consistent with both the prescriptive and proscriptive provisions of the attached Educational Services Agreement and the Trust.

3.04 Required Substantiation: The Trustee shall require and maintain for inspection reasonable supporting documentation prior to disbursing any part of the Trust Estate for any purpose. The obligation of the Trustee to make direct payments to service providers or vendors or reimbursements to the Parent, or subsequent legal guardian(s) of the Beneficiary, in accordance with the Educational Services Agreement and this Trust shall be contingent upon the

Parent, or subsequent legal guardian(s) of the Beneficiary, providing substantiating documentation from the service provider or vendor of a “legitimate educational expense” to the Trustee, consisting of a billing statement on professional or business letterhead that includes the name, address, phone number and hourly rate or invoice of cost of the service provider or vendor and the type and amount of services, material or equipment provided to the Beneficiary for which payment is sought, and, in the case of requests for reimbursement to the Parent, or subsequent legal guardian(s) of the Beneficiary, the Parent, or subsequent legal guardian(s) of the Beneficiary, must additionally provide a substantiating bank or credit card statement, copy of a processed check or similar evidence of payment by the Parent, or subsequent legal guardian(s) of the Beneficiary. The Trustee shall not, under any circumstance, make payment to any educational supplier without a written request from the Parent, or subsequent legal guardian(s) of the Beneficiary.

3.05 Consultants: The Trustee may, in its sole and absolute discretion, engage from time to time any individual, corporation, partnership or other entity to render services to Trustee in guiding its discretionary distributions pursuant to any standard for distribution set forth in the preceding paragraph of this Article III. Trustee shall not be liable for relying upon the advice of any consultant whom it is deemed reasonable to retain. The Trustee may pay for any such consulting services from the Trust Estate, without reduction for any compensation paid to Trustee for its services as Trustee.

3.06 Accounting: The Trustee shall provide a detailed accounting of all disbursements, including fees and costs for the proper administration of the Trust, to the Grantor (c/o Chief Executive Officer, KIPP PHILADELPHIA CHARTER SCHOOL, 5070 Parkside Avenue,

Philadelphia, PA 19131) and Beneficiary, Parent or subsequent legal guardian(s) of the Beneficiary, on at least a quarterly basis.

3.07 Contingent Beneficiary: The Trustee shall automatically distribute any remaining Trust Estate to the contingent beneficiary, who is the Grantor, upon termination of the Trust as set forth in Article IV of this Trust.

**ARTICLE IV**  
**TERMINATION OF TRUST**  
**AND DISTRIBUTION OF REMAINING PRINCIPAL**

4.01 Termination: This Trust shall automatically terminate upon the first to occur of the following: (1) August 13, 2029; (2) the death of the Beneficiary; (3) by order of a court of competent jurisdiction; or (4) a determination by the Trustee in its sole discretion that it is no longer practical to maintain the Trust, or that the purposes of the Trust are no longer able to be reasonably fulfilled.

4.02 Final Accounting: Upon termination of the Trust, the Trustee shall automatically provide a full and final accounting of the Trust Estate, including principal and accumulated income, to the Grantor and the Beneficiary, Parent or subsequent legal guardian(s) of the Beneficiary.

4.03 Contingent Beneficiary: The sole contingent beneficiary of this Trust shall be the Grantor of this Trust. The contingent beneficiary of this Trust is entitled to receive the entirety of the Trust Estate, including principal and accumulated income, upon termination by the Trustee, subject to a reduction for taxes, fees and costs associated with the proper administration and termination of the Trust, and shall enjoy all rights and privileges available to it under the law as the sole named contingent beneficiary.

4.04 Final Distribution: Any portion of the Trust estate remaining upon termination of the Trust shall automatically be delivered to the contingent beneficiary, who is the Grantor, subject to a reduction of taxes, fees and costs associated with the proper administration and termination of the Trust. However, because the funds in this Trust represent a compensatory education fund with specific educational uses intended to meet the Beneficiary's educational needs, and which funds are not and never have been the funds or resources of the Beneficiary, the parties to, and participants in, this Trust believe that such funds are not subject to any payback or lien provisions under the Social Security Act or other existing authority.

**ARTICLE V**  
**POWERS OF TRUSTEE**

5.01 Description of Powers: In order to carry out the purposes of this Trust, the Trustee, in addition to all other powers granted by law from time to time, shall have the following powers:

(a) Retention of Assets: To retain any property received by the Trust Estate for as long as the Trustee considers it advisable.

(b) Investments: To purchase, invest and reinvest in every kind of property and investments, including real estate without restriction to so-called "legal investments."

(c) Management: To manage, control, repair, and improve all Trust property.

(d) Limitations on Powers: All powers given to the Trustee over this Trust are exercisable by the Trustee only in a fiduciary capacity. No power given to the Trustee hereunder shall be construed to enable the Trustee or any person to purchase, exchange, or otherwise deal with or dispose of the principal or income therefrom for less than an adequate consideration in money or money's worth, or to authorize loans to a person except on the basis of an adequate interest charge and with adequate security. No person, other than the Trustee, shall



have or exercise the power to vote or direct the voting of any corporate shares or other securities of this Trust, to control the investments of this Trust either by directing investments or reinvestments or by vetoing proposed investments or reinvestments, or to re-acquire or exchange any property of this Trust by substituting other property of equivalent value.

(e) Good Faith Reliance: Until actual receipt of written notice of any death, birth or other event upon which the right to receive income or principal under this Trust may depend, to make distributions in good faith free of liability to persons whose interests have been affected by that event.

(f) Distribution: To make distribution under this Trust in cash, in kind or partly in each.

(g) Taxes: To pay any taxes, interest or penalties and to apply for and collect any tax refunds and interest incurred.

(h) Authority to Amend Trust: In accordance with the provisions of Article II, the Trustee may amend this Trust so that it conforms to federal and state law, including related statutes, regulations and policies, governing governmental programs for which the Beneficiary is eligible, including, but not limited to, Medicaid and Supplemental Security Income (SSI).

## **ARTICLE VI** **ADDITIONAL TRUSTEE PROVISIONS**

6.01 Allocation of Income and Principal: The Trustee shall determine what is income and what is principal of the Trust and what expenses, costs, taxes, and charges of any kind whatsoever shall be charged against income and what shall be charged against principal in

accordance with the applicable statutes of the United States and the Commonwealth of Pennsylvania as they now exist and may from time to time be amended.

6.02 Relations with Trustee: No one dealing with the Trustee, except for the Grantor, Beneficiary, Parent, or subsequent legal guardian(s) of the Beneficiary, need inquire concerning the validity of anything Trustee purports to do, or need see to the application of any money paid or any property transferred to or on the order of the Trustee.

6.03 Limitation on Trustee's Liability: No Trustee appointed under this Trust shall at any time be held personally liable for any act or failure to act or any act or failure to act of its agent or of any other person in connection with the administration of the Trust Estate, unless caused by Trustee's gross negligence or by a willful commission of an act in breach of Trust.

6.04 Compensation: The original Trustee or any successor Trustee named herein is entitled to payment from the Grantor from time to time of those fees which are consistent with its standard schedule of fees for work as a corporate fiduciary over the period during which services are rendered.

6.05 No Bond Required: No bond shall be required of the original Trustee hereunder or any successor Trustee; or if a bond is required by law, no surety shall be required on such bond.

6.06 Successor Trustee: If any bank or trust company ever succeeds to the trust business of a corporate fiduciary serving as Trustee under this Trust, whether because of a name change, or any other form of reorganization, or if such corporate fiduciary ever transfers all of its existing business to any other bank or trust company, the successor shall thereupon without any further action being required, succeed as the Trustee hereunder as if originally named. The Trust

shall not be deemed terminated solely as a result of a change of Trustee and all terms and obligations assigned to the Trustee, including those provisions related to compliance with relevant provisions contained in the attached Educational Services Agreement, shall remain unaltered and assumed by the successor Trustee.

6.07 Resignation of Trustee: A Trustee may resign by giving written notice to the Grantor and the Beneficiary, Parent or subsequent legal guardian(s) of the Beneficiary in a signed and acknowledged instrument. A Trustee or successor Trustee may name a successor Trustee in writing, following consultation with and upon receipt of mutual written consent of the Grantor and Beneficiary, Parent or subsequent legal guardian(s) of Beneficiary. When the term “Trustee” is used in this document, it also includes anyone serving as a successor Trustee. The Trustee must deliver written notice in the form of a signed and acknowledged instrument to the Grantor and the Beneficiary, Parent or subsequent legal guardian(s) of the Beneficiary no less than thirty (30) calendar days after a successor Trustee is named. A resignation under this paragraph shall be effective upon the appointment of a successor Trustee. All reasonable Trustee fees and expenses (including reasonable attorney’s fees) attributable to the resignation of a Trustee or to the appointment of a successor Trustee shall be paid out of the Trust Estate.

6.08 Removal of Trustee: The Grantor or the Beneficiary, Parent or subsequent legal guardian(s) of the Beneficiary shall retain the right to remove or replace the Trustee for good cause if dissatisfied with the operation of, or the speed with which disbursements are made by the Trustee so long as written consent is obtained from the other to remove or replace the Trustee, of which such consent shall not be unreasonably withheld. Upon removal or replacement of the Trustee, any successor Trustee must be an agent organized, constituted, incorporated and approved under the laws of the Commonwealth of Pennsylvania subject to

regulatory oversight by the Attorney General of the Commonwealth of Pennsylvania capable of serving the functions of a Trustee of a Pennsylvania special needs trust, and shall be qualified, authorized, willing and able to carry out all of the fiduciary obligations assigned to the Trustee in this Trust so long as the Grantor and the Beneficiary, Parent or subsequent legal guardian(s) of the Beneficiary mutually agree upon the removal of the Trustee and the appointment of the successor Trustee. Neither the Grantor nor Beneficiary, Parent or subsequent legal guardian(s) of the Beneficiary may be named as a successor Trustee. Written notice in the form of a signed and acknowledged instrument must be given to the Grantor and the Beneficiary, Parent or subsequent legal guardian(s) of the Beneficiary no less than thirty (30) calendar days after a successor Trustee is named.

6.09 Accounting: Absent an Order of Court, the Trustee may be required to prepare and file accountings. Prior to delivering all of the Trust Estate to a successor Trustee or the making of any partial or complete distributions of Trust principal, the Trustee may require an approval of its accounting either by a release in discharge by the Grantor and the Beneficiary of any such Trust or by a court of competent jurisdiction.

#### **ARTICLE VII** **SPENDTHRIFT PROVISION**

7.01 Protective Provisions: The interest of any beneficiary in the principal or income of this Trust shall not be subject to the claims of his/her/its creditors, or creditors of others, including creditors of any spouse of a married beneficiary, nor to legal process, and may not be voluntarily or involuntarily alienated or encumbered.

#### **ARTICLE VIII** **CONSTRUCTION OF TRUST**

8.01 Administration and Governing Law: The situs of this Trust shall be the Commonwealth of Pennsylvania, and this Trust shall be and remain governed by the laws of the Commonwealth of Pennsylvania. This Trust shall be deemed to be located, operated and administered in the Commonwealth of Pennsylvania.

8.02 Copies: To the same extent as if it were the original, anyone may rely on a copy of this Trust certified by a notary public to be a true copy of this Trust. Anyone may rely on any statement of fact certified by anyone who appears from the original Trust or a certified copy thereof to be a Trustee hereunder.

**IN WITNESS WHEREOF**, this Trust, consisting of thirteen (13) pages, has been established by the Grantor and the Trustee on this \_\_\_\_ day of \_\_\_\_\_, 2023.

**GRANTOR:**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Authorized Representative  
KIPP PHILADELPHIA CHARTER SCHOOL

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**TRUSTEE:**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Authorized Representative  
ADVOCACY ALLIANCE

Date: \_\_\_\_\_

Date: \_\_\_\_\_